



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

UT-0020

June 26, 2007

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Incoring
C/007/0013

RE: UtahAmerican Energy, Inc.'s - "Horse Canyon Mine" - Application for a Permit
Revision, Lila Canyon Extension

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas & Mining's (UT-DOGM) May 18, 2007, issuance of Utah State permit C/007/0013, for the Horse Canyon Mine-Lila Canyon Extension, and whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

From February 11, 2002, through May 16, 2007, UtahAmerican Energy, Inc. submitted additional environmental resource information to supplement the original September 8, 1998, permit application package (PAP) submittal.

Pursuant to the requirements of Article VI.4 of the Utah Cooperative Agreement, the Office of Surface Mining Reclamation and Enforcement (OSM) reviewed the operation and reclamation plan portion of the Horse Canyon Mine-Lila Canyon Extension revised permit application, other appropriate portions of the PAP related to non-delegable responsibilities, and UT-DOGM's decision package of technical analysis and written findings. OSM's review has found that only certain parts of the 1998 PAP were revised to incorporate supplemental environmental resources information, and that the PAP approved by UT-DOGM on May 02, 2007, is not an entirely new and altogether different document. Operationally, the mining and reclamation operations have not significantly changed from the 1998 PAP.

Based upon the above review, OSM has determined that permit C/007/0013 issued by UT-DOGM on May 18, 2007, does not require a mining plan modification because this permit action does not meet any of the criteria of 30 CFR 746.18 (d). Additionally, pursuant to the Federal regulations at 30 CFR 746, "Review and Approval of Mining Plan", the Assistant Secretary,

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